

## Message Text

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ACTION EB-11

INFO OCT-01 NEA-10 ISO-00 L-03 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 DRC-01 /046 W

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R 071230Z NOV 73 ZDK

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 7766

LIMITED OFFICIAL USE NEW DELHI 12854

E.O. 11652: N/A

TAGS:EFIN, ETRN, IN

SUBJECT: CIVAIR: PANAM REMITTANCES

REF: NEW DELHI 12347, STATE 204386

SUMMARY:

PAN AMERICAN REPRESENTATIVES PERKINS AND WOODFIELD LEFT INDIA NOVEMBER 6 WITH INDIAN AGREEMENT ON MODIFICATION OF PROCEDURE FOR HANDLING REMITTANCE OF SUBSTANTIAL BENEFIT TO AIRLINE. GROUNDWORK WAS LAID FOR FURTHER IMPORVEMENT IN REMITTANCE SITUATION, AND EMBASSY WILL FOLLOW UP. END SUMMARY.

1. PAN AMERICAN EXECUTIVES EDWARD D. PERKINS AND DENNIS WOODFIELD LEFT INDIA NOVEMBER 6 AT CONCLUSION OF STAY IN NEW DELHI OF OVER A WEEK. IN MEETING WITH ECON COUNSELOR AND OTHER EMBOFFS OCTOBER 31 THEY AND ART REPPUN, PAN AMERICAN DIRECTOR FOR SOUTH ASIA, OUTLINED OBJECTIVES OF THEIR VISIT. THEY SAID THAT TIE-UP OF FUNDS IMPLICIT IN PRESENT RESERVE BANK OF INDIA REMITTANCE PROCEDURES INVOLVES A HEAVY BURDEN ON PANAM WHICH NOT BORNE BY AIR INDIA IN UNITED STATES. THEY ASKED HELP AND ADVICE OF EMBASSY TO REDUCE RATE OF REJECTION OF INITIAL REMITTANCE APPLI-CATIONS BY RESERVE BANK OF INDIA (RBI), AND MORE IMPORTANTLY, TO SEEK RBI AGREEMENT A) TO ACCEPT PANAM REMITTANCE APPLICATIONS ON SALES, RATHER THAN RECEIPTS BASIS, AND B) TO REMIT PANAM FUNDS IMMEDIATELY ON APPLICATION SUBJECT TO POST-AUDIT.

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IN COURSE OF SAME MEETING, PANAM REPRESENTATIVES ASKED EMBASSY

TO APPLY SAME BLANKET DUMMY-P FORM PROCEDURE TO GTR SALES OF TICKETS FOR INDIAN-ORIGIN TRAVEL AS CURRENTLY USED IN REPORTING RUPEE GTR TICKETS FOR TRAVEL ORIGINATING OUTSIDE INDIA. EMBASSY AGREED TO DO SO, AND UNDERTOOK TO NEGOTIATE CHANGED PROCEDURE WITH RESERVE BANK IF LATTER POSES OBJECTION.

2. IN SUBSEQUENT MEETING WITH AMBASSADOR, PANAM WAS ASSURED THAT EMBASSY PREPARED TO PURSUE REMITTANCE MATTER A LEVEL NECESSARY TO GET RESULTS.

3. FOLLOWING MEETINGS EMBASSY PRESENTED MINISTRY OF FINANCE (KRISHNASWAMI) WITH WRITTEN EXPOSITION OF PANAM PROBLEMS AND PROPOSALS WHILE PANAM REPS MADE PARALLEL PRESENTATION TO RESERVE BANK OF INDIA. IN CALL ON RESERVE BANK DEPUTY CONTROLLER, LATTER AGREED ON THE SPOT TO PANAM PROPOSAL ON SUBMISSION OF REMITTANCE APPLICATIONS ON SALES BASIS. AS FOR POST-AUDIT, HE EXPRESSED VIEW THAT MATTER WOULD REQUIRE GOVERNMENT OF INDIA POLICY DECISION, BUT THAT HE SAW NO OBVIOUS IMPEDIMENT TO INSTITUTION OF POST-AUDIT PRACTICE.

4. IN FINAL SESSION AT EMBASSY NOVEMBER 5 IT WAS AGREED THAT EMBASSY WOULD PURSUE POST-AUDIT PROPOSAL WITH RESERVE BANK AND MINISTRY OF FINANCE, WHICH WE PLAN TO DO IN NOVEMBER 8 MEETING WITH KRISHNASWAMI.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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